BUSINESS PROCESS MANAGEMENT CENTRE OF EXCELLENCE AS A SOURCE OF KNOWLEDGE

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Abstract. The aim of this article is to present the functioning of the Business Process Management Centre of Excellence (BPM CoE) from a knowledge perspective. Empirical research has been carried out in an enterprise operating on the territory of Poland in 2017. The results revealed that enterprises with the implementation of process approach tend to maximize knowledge diffusion and develop organizational competencies via organizing Business Process Management Centre of Excellence in the world and in Poland. An increasing number of companies adopting a Business Process Management Centre of Excellence, which is a centre for process improvement and provides many good practical solutions.

Keywords: Business Process Management (BPM), Business Process Management Centre of Excellence, knowledge.

Introduction

Today’s enterprises are striving to improve their competitiveness by changing the orientation from functional to process. This leads to the conception of Business Process Management (BPM) with a concentration of the company on the systematic identification, modeling and improvement of processes. Planning and implementing improvements should be done using knowledge about the company’s strengths and weaknesses, its resources (Nadarajah, Latifah, & Kadir, 2016, pp. 1069-1078; Trkman, 2010; Jeston & Nelis, 2011; Antonucci & Goeke, 2011; Balzarowa, Bamber, & McCambridge, 2004; Bolisani & Handzic, 2015, Hammer, 2015). The scope and purpose related to process improvement should result from the effects of diagnosis of emerging problems that occur in the enterprise and have a negative impact on the efficiency and course of processes (Niehaves, Poeppelbuss, Plattfaut, & Becker, 2014, pp. 90-106, Chong, 2007, Cooper, & Kleinschmidt, 2007). Some process-oriented enterprises create specialized units, Business Process Management Centre of Excellence (BPM CoE), which support the implementation of process solutions. Their main message is to support the development of the company by improving the organization processes, building a knowledge
base on all aspects of the implementation of Business Process Management. The aim of the article is to present the operation of the Business Process Management Centre of Excellence from a knowledge perspective.

1. Literature review

1.1. Business Process Management Centre of Excellence

A Business Process Management Centre of Excellence (BPM CoE) refers to a formal group within an organization that serves to provide support for others doing process work. It may coordinate all process work within the organization, monitor process performance, or undertake projects; it provides support for process change efforts (Harmon & Wolf, 2012). It can use any of several methodologies, such as BPM, Lean, BPMS or Six Sigma, or a combination of approaches. A Business Process Management Centre of Excellence is an organizational unit established to coordinate and manage process undertakings from the point of view of the whole enterprise, which is a platform for collecting and transferring process knowledge (Bitkowska, 2018). It is a centralized and separated organizational unit created to perform many tasks related to process management. Its aim is to raise the level of efficiency and effectiveness of the implemented process initiatives; to offer specialized services and support in the field of process management. Its tasks include providing recommendations and guidelines for the operation of processes as well as managing change projects in the company. The unit is also a center of process knowledge, because it creates specialized intranet sites, internal portals dedicated to the issues of process management and introduced changes, implements good practices throughout the enterprise.

Its main task is to provide support for process management through, among others, coordination of process projects, ensuring an efficient information flow, improvement and development of managers and employees (Table 1). M. Rosemann (2008) classifies a set of services that can be implemented by the Business Process Management Centre of Excellence:

1. BPM Maturity Assessment
2. Strategic Alignment
3. Process Modeling
4. Library Management
5. Process improvement.
6. Designing Process-Aware Information Systems
7. Process Automation
8. Process Change Management
9. Management of BPM Projects
10. Process Governance
11. Process Compliance
12. Process Performance Measurement
13. Process Forensics
14. Process Education/Training
15. Process Portfolio Management
Managers have the opportunity to choose potential services offered by a centralized process management office. However, many basic and additional services should be provided by specific departments (e.g. IT department, supervision department, development department). The list of services offered by the process management office will vary depending on the type and size of the company and the territorial distribution. Along with the functioning of this unit, one can observe the levels of its development, which include: dissemination of benefits from the management of processes, creation of convergence between process initiatives, strategic management and creation of process culture.

The implementation of various process management initiatives throughout the organization is a difficult operation that usually requires the implementation of many complex stages. To meet this challenge, many enterprises decide to separate in their structures the Business Process Management Centre of Excellence, which is responsible for various aspects of the implementation of processes.

The Business Process Management Centre of Excellence can be organized in various ways such as:

- A centralized unit most often is created in enterprises in which the decision-making functions are located in the head office.
- Decentralized units are established in individual enterprises within a capital group, operating on a global scale, in which the decision-making functions are dispersed.
- A temporary unit primarily serving process and project activities.
- Virtual existing units.

The Business Process Management Centre of Excellence, established in the organizational structure provides a significant support for the use of the methodology of process management and ongoing projects (Richardson, 2006; von Looy, de Backer, & Poels, 2011). In many cases, failure to implement process initiatives resulted, among other things, because of the lack of a deeper understanding of its essence; lack of involvement of top management or dislike resulting from the changes. In addition, one of the reasons for unsuccessful implementations of this concept is the lack of required and comprehensive knowledge of the methodology of process management. In some companies, IT managers take process initiatives or they are initiated by the process improvement teams. Therefore, in the case of innovative solutions or comprehensive changes implemented in the enterprise, it is necessary to take actions aimed at proper management of knowledge and experience through the creation of a dedicated unit.

Table 1. Main capabilities of BPM CoE by Jesus, Macieira, Karrer, and Rosemann (2015)

<table>
<thead>
<tr>
<th>Competence groups</th>
<th>Characteristic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diffusion of BPM concepts &amp; benefits</td>
<td>Ability the provision of BPM methodologies, techniques and tools.</td>
</tr>
<tr>
<td>Creation of convergence among BPM initiatives</td>
<td>Creating alignment, governance and convergence of all BPM-related activities within the organization in order to create synergy and consistency.</td>
</tr>
<tr>
<td>Strategic alignment and BPM culture</td>
<td>Linking BPM services with corporate strategy and establishing a culture that is materialized in thinking about business processes as essential corporate assets.</td>
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</tbody>
</table>
1.2. Business Process Management Centre of Excellence versus knowledge perspective

When deciding to implement a Business Process Management Centre of Excellence in an enterprise, it should be emphasized that it is a complex and long-term undertaking. It is necessary to support the board properly and to ensure the optimal amount of resources to achieve the set goals. The tasks and responsibilities of the individual should be related to the company’s strategy and objectives.

Professional approach to the implementation of the unit will enable the company to better, faster and more effectively implement processes while maintaining the required quality, and as a consequence, gain a competitive advantage on the market.

Business Process Management Centre of Excellence creates a perspective of knowledge. This perspective is very important and that both individuals, as well as organizations, need to continually learn to improve their knowledge base to remain relevant (Sisson & Ryan, 2017). It is crucial to point out organizational culture which regulates two important areas from the perspective of knowledge management: readiness to collaborate and trust between employees (Girard & Ribiere, 2016; Paliszkiewicz & Koohang, 2013; Cervone, 2016; Garlatti, & Massaro, 2015, Liebowitz, 2012, Liebowitz, 2016, Paliszkiewicz, Gołuchowski, & Koohang, 2015). Knowledge sharing requires human interaction, an exchange of ideas and openness (Alavi, Kayworth, & Leidner, 2005; De Long & Fahey, 2000; Wong, 2005, Heisig, 2015, De Long, & Fahey, 2000). Moreover, management staff (process managers, project managers) should promote the establishment of collaborative goals and open communication or trust between employers (Steers & Shim, 2013; E. F. Cabrera & A. Cabrera, 2005; Warrick, 2017). It requires the redefinition of employer-employee relations and the development of values such as dialogue, partnership and cooperation and trust.

From the point of view of transferring knowledge in a process organization, there may be three solutions in which:

1) Knowledge exchange between process teams does not occur.
2) Knowledge exchange is informal.
3) Exchange of knowledge between projects is organized and carried out in cooperation with the management office processes.

Business Process Management Centre of Excellence plays an important role from the perspective of the knowledge management system, as a permanent organizational unit providing support for processes and temporary, time-limited projects. It enables continuity and durability of process and project know-how. The unit also stores the knowledge and project experience of individuals and teams that, after being completed, is collected and transferred to the knowledge base and can be used for subsequent projects (Yeong & Lim, 2010). This enables continuous learning of the company, shortening the time of access to design knowledge, which in turn allows for more efficiency. The Business Process Management Centre of Excellence should support the development of process managers, improve their competence, train process teams, develop a common methodology and standard documentation in the implementation of processes. Business Process Management Centre of Excellence acquires and collects process knowledge, organizes trainings and workshops on the process approach or the use of IT tools (Table 2).
Other initiatives concern preparation and implementation of thematic training in the field of soft aspects of process management, individual methods and tools used in improving process solutions. The exchange of knowledge between processes is a more advanced and organized form of cooperation through the organization of individual units and teams. Such a solution may be necessary due to the weaknesses of communities of practitioners and informal networks in solving complex problems, as well as due to the difficulty in maintaining the knowledge possessed by the network due to the loose nature of these structures and the importance of the context of this knowledge. One of the arguments for introducing the Business Process Management Centre of Excellence is also to relieve project teams from tasks related to the exchange of knowledge, in particular in the area of investing significant resources in the exchange and transfer of knowledge methods.

Many process initiatives in enterprises were conducted in an inappropriate manner, which resulted in limited benefits and reduced effects of implementing projects. One of the important challenges associated with the implementation of Business Process Management is to provide uniform solutions, guidelines and principles that can be implemented with the support of a specialized unit – Business Process Management Centre of Excellence. This requires, above all, the establishment of a basic set of services and appropriate methodologies, tools and techniques that are key in process management.

In this situation, the Business Process Management Centre of Excellence becomes not only a provider of infrastructure for knowledge exchange but also a cell that maintains the continuity of project knowledge in the organization; owns and coordinates the process of preserving and distributing knowledge in projects, maintaining archives and project repositories.

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<tr>
<th>Level of BPM</th>
<th>Characteristics</th>
<th>The perspective of process and project knowledge</th>
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<tbody>
<tr>
<td>Strategic</td>
<td>Support the implementation of projects; Project Management methodology; Initiation of process projects; Coordination of the portfolio of process projects; Associating strategies with process architectures</td>
<td>Knowledge Acquisition; Knowledge Application; Knowledge storage</td>
</tr>
<tr>
<td>Operational</td>
<td>Coordination of occurring processes; Monitoring process performance indicators; Providing support for the implementation of changes in individual processes; Monitoring and control of processes; Modelling and optimization of processes using IT tools; Support in the use of various concepts and management methods, e.g. Lean, Six Sigma; Consulting and training for process managers and process teams; Improving process competence</td>
<td>Knowledge Acquisition; Knowledge diffusion; Knowledge application; Knowledge storage</td>
</tr>
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</table>
organizing meetings summarizing the project, recipient of logs and registers of design experiences from many projects; a cell responsible for the assessment of project experience and implementation of best practices; a coordinator and the creator of internal management trainings projects and many more. The introduction of the Business Process Management Centre of Excellence allows the efforts to improve project management to make a lasting organizational formula and to indicate the specific activities of the office together with those responsible for them. An important advantage is its role as a centre for communication and project coordination; access to tools and technologies that support people in sharing knowledge and information, as well as engaging them in problem-solving and environmental improvement processes project (Rosemann & von Brocke, 2015). It is responsible for building up and maintaining business process models, process management consultancy, integrating the main processes into the business strategy, the definition of process goals in accordance with the process owner and process control.

The Business Process Management Centre of Excellence becomes a platform of infrastructure for knowledge exchange and knowledge sharing, which is one of the key elements of the whole process of knowledge management. It is defined as a process of disseminating knowledge within a specific group of employees in the organisation (Van den Hooff & De Ridder, 2004), focused on exploiting the existing knowledge and identifying the accessible knowledge. It is important to achieve a better, faster, or cheaper execution of a given task than would happen without sharing knowledge (Paliszkiewicz & Koohang, 2013). It is based on exchange relations, which contain expectations for obtaining financial and non-financial benefits in the future for people participating in this process (Reychav & Weisberg, 2009).

It mainly consists of providing information connected with a task or know-how (Wang & Noe, 2010). Knowledge sharing includes the process of communication, in which two or more parties take part in providing and acquiring knowledge (Usoro, Sharratt, Tsui & Sheikhara, 2007). It occurs when people mutually share overt or hidden knowledge in order to create new knowledge (Van den Hooff & de Leeuw van Weenen, 2004). Knowledge sharing is considered a critical condition for every organization (Majchrzak & Malhotra, 2013), a factor of creating new knowledge, creating innovation (Liao, 2006), improving individual and organizational efficiency (Verburg & Andriessen, 2011), making changes and adapting to the requirements of the surroundings (Sharratt & Usoro, 2003) and obtaining a durable competitive advantage (Van den Hooff & De Ridder, 2004). In order to reach for these possibilities it is required that the members of a project team or process team share their knowledge in trust perspective (Paliszkiewicz & Koohang, 2013; Nissen, 2007). At the basis of knowledge sharing is a process, which preceded the creation of organizational knowledge, an assumption that the necessary condition is the diversity of the participants of this exchange process (Nonaka & Takeuchi, 1995).

2. Results and findings

The functioning of the Business Process Management Centre of Excellence is aimed at supporting process initiatives and consolidating the benefits resulting from the implementation of business process management. The gradually growing interest of managers in the creation
of such an entity indicates the need for further work in this area. Research carried out in 2005–2017 in the world indicates the need to intensify initiatives for process management (Table 3). Enterprises recognize the need to improve managers as well as take appropriate initiatives. The functioning of the Business Process Management Centre of Excellence is aimed at supporting process initiatives and consolidating the benefits resulting from the implementation of process management. The gradually growing interest of managers in the creation of such an entity indicates the need for further work in this area.

Research conducted in the world in 2005–2011 indicates that among process oriented enterprises, on average around 65% create the Business Process Management Centre of Excellence (Harmon & Wolf, 2012). Analysis of global research on services provided by process management offices indicates mainly: 69% process modelling, 66% process architecture design and management, 63% process repository management, and process optimization and redesigning (51%) (Harmon & Wolf, 2012). The most important reasons for the establishment of a BPM CoE according to respondents concerned primarily the need to increase operational organizational efficiency (64%), the need for standardization and control (64%), better coordination of process initiatives (56%) and the need for process visualization (56%) (Harmon & Wolf, 2012).

The research carried out by the author in 2017 concerned the analysis of the functioning of the Business Process Management Center of Excellence. The study included 144 enterprises operating in Poland (Table 4). The selection of the research sample was carried out using the targeted method and included only those enterprises that implemented process management. The following research methods and techniques were used in the research: the CAWI survey questionnaire and interviews conducted with process specialists, process owners, and process experts. An important criterion for the division of the surveyed organizations was the number of employees employed. The analyzed organizations were classified into the following groups: small enterprises – 10–49 people, medium-sized organizations – 50–249 people.

Table 3. Undertaking process initiatives in enterprises by Harmon (2018)

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<tbody>
<tr>
<td>Enterprise Process Management efforts</td>
<td>25%</td>
<td>29%</td>
<td>28%</td>
<td>26%</td>
<td>22%</td>
<td>23%</td>
<td>29%</td>
</tr>
<tr>
<td>Process Manager training</td>
<td>19%</td>
<td>22%</td>
<td>24%</td>
<td>24%</td>
<td>20%</td>
<td>19%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Table 4. Business Process Management Center of Excellence e has been implemented including the number employed in the surveyed enterprises in Poland (created by the author)

<table>
<thead>
<tr>
<th>Specification</th>
<th>Quantity of employed people</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10–49</td>
</tr>
<tr>
<td>There is an Business Process Management Center of Excellence</td>
<td>10,20%</td>
</tr>
<tr>
<td>No Business Process Management Center of Excellence</td>
<td>58,00%</td>
</tr>
</tbody>
</table>
Among the respondents, the largest share had organizations employing more than 249 people (60.50%) and 50–249 people (25.50%), 10–49 employees (14.00%).

Services provided by process management offices, first of all, process modelling to create their descriptions, and then make them available to employees in the form of procedures. Other services were related to measuring and monitoring processes, providing methods of process improvement or participation in improvement projects. Essential services also include creating requirements and specifications before implementing IT systems (Table 5).

Table 5. Services provided by Business Process Management Center of Excellence including the number of employees employed at the enterprises in Poland (created by the author)

<table>
<thead>
<tr>
<th>Specification</th>
<th>The quantity of employed people</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10–49</td>
</tr>
<tr>
<td>Process modelling, preparation of procedures</td>
<td>20,40%</td>
</tr>
<tr>
<td>Optimization / implementation of changes in process models</td>
<td>20,10%</td>
</tr>
<tr>
<td>Process monitoring and measuring</td>
<td>18,50%</td>
</tr>
<tr>
<td>Cooperation with consulting companies</td>
<td>16,10%</td>
</tr>
<tr>
<td>Conducting trainings for process managers/employees</td>
<td>14,20%</td>
</tr>
<tr>
<td>Support for process owners</td>
<td>10,20%</td>
</tr>
<tr>
<td>Participation in process improvement projects</td>
<td>19,10%</td>
</tr>
<tr>
<td>Defining requirements before implementing IT solutions</td>
<td>16,50%</td>
</tr>
<tr>
<td>Management support in implementing the organization's process initiatives</td>
<td>12,10%</td>
</tr>
</tbody>
</table>

The surveyed enterprises recognize the benefits of the Business Process Management Center of Excellence and the use of knowledge management. The knowledge collected, better opportunities for process optimization, sharing employees’ knowledge and strengthening employee competencies (Table 6).

Table 6. Business Process Management Center of Excellence of knowledge about the number of employees in the surveyed enterprises in Poland (created by the author)

<table>
<thead>
<tr>
<th>Specification</th>
<th>Quantity of employed people</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>10–49</td>
</tr>
<tr>
<td>Knowledge use</td>
<td>20,20%</td>
</tr>
<tr>
<td>Process optimization</td>
<td>24,10%</td>
</tr>
<tr>
<td>Sharing employee knowledge</td>
<td>18,50%</td>
</tr>
<tr>
<td>Learning and strengthening the skills of employee</td>
<td>16,10%</td>
</tr>
<tr>
<td>Documentation and knowledge of process knowledge</td>
<td>18,20%</td>
</tr>
<tr>
<td>Process selection of appropriate methods and tools for processing and preserving process knowledge</td>
<td>12,20%</td>
</tr>
<tr>
<td>Identification of sources of knowledge needed to implement other processes</td>
<td>20,10%</td>
</tr>
</tbody>
</table>
Conclusions

Many contemporary enterprises are aware that the process approach to management increases the efficiency and effectiveness of operations and delivery of high-quality products and services (Van Looy, De Backer, & Poels, 2011). However, implementation of process management in contemporary organizations remains a major challenge (Niehaves, Poepelbuss, Plattfaut, & Becker, 2014). The creation of specialized units, BPM CoE, can be an important solution in the effective and efficient implementation of this concept. The unit is the centre of process knowledge (Paliszkiewicz, Svanadze, & Jikia, 2017) and provides appropriate competencies for employees and the entire organization. Its goal is to support employee initiatives and consolidate the benefits of implementing process management. This allows you to take action to improve processes and implement legitimate process initiatives. This unit enables the implementation of projects; implementation and use of process maturity models in order to achieve the planned strategic assumptions from the point of view of ensuring the competitiveness on the market. It should be emphasized that the process management office is established rather in medium-sized and large enterprises with a higher degree of development of process maturity.

The research approach bridges the gap of literature in creating a Business Process Management Center of Excellence and knowledge management. The research shows the integration of Business Process Management and Project Management in knowledge perspective. Creating a Business Process Management Center of Excellence in an enterprise requires significant involvement of the top level staff as well as adequate human and financial resources. It is, therefore, a complex and long-lasting activity. The appropriate approach to creating a process management office will allow you more effectively to implement the entire process management process while maintaining the required quality standards for service delivery. The solution applied should consequently also strengthen the construction of process organizational culture.

References


